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PROGRAM

Senate Select Committee on Intelligence

STATION

C-SPAN

DATE

March 23, 1991 2:30 P.M.

CITY

Washington, D.C.

SUBJECT

Testimony of Admiral Inman and General Odom

SENATOR DAVID BOREN: Our first witness this afternoon is Admiral Bobby Ray Inman, who needs very little introduction to this committee. He is one of those that I think would be widely described as a senior statesman of the intelligence community. Serving as Director of Naval Intelligence in the mid-1970s, Admiral Inman went on to become Director of the National Security Agency, and in the early years of the Reagan Administration also served as Deputy Director of the Central Intelligence Agency. is currently a member of the President's Foreign Intelligence Advisory Board.

He has assisted the members of this committee on many occasions, most recently as a member of the Jacobs Panel, a group of distinguished leaders in our country with experience in the intelligence field who have advised us about an approach to improve our counterespionage capabilities.

It's difficult to think of anyone for whom we have greater admiration and respect or whose advice we would value more highly. Indeed, the successful evolution of the congressional oversight process itself owes a great deal to the efforts of Admiral Inman, who as Director of the National Security Agency and later, as I said, as Deputy Director of Central Intelligence, saw the need to make the Oversight Committees partners, rather than adversaries, in this whole process of improving our intelligence operation.

And I think the fact that we have this relationship of trust and partnership now between the community and this committee owes a lot to the legacy left by Admiral Inman.

Admiral, we're delighted to have you with us once again.

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And I'd ask that you proceed now with your opening statements. And we want to express our appreciation to you for taking time to be with us today.

ADMIRAL BOBBY INMAN: Thank you, Mr. Chairman.

In looking at the length of my notes, I'm afraid I may be planning to talk too long. So I will look for signals from you to speed it up.

Secondly, as you know, I have enjoyed my working relationship with the committee for a great many years. Most of that has been in what for me is the much more relaxed atmosphere of talking about these issues in a closed session. So I'm going to make a special plea today to the staff that's sitting around the side. That is, sometimes as I get excited and get carried away by the topic, I may drift over the line. So I'm going to look for waving arms from them if I've begun to get over in the classified arena, rather than trying to sort it out in my own mind.

I have always come to the committee with candor, and I will do so today. I'm not sure all of that will sit well with other views that are here. When you're sitting several thousand miles away from Washington and looking at these problems, you come to look at them somewhat differently than when you're caught in them each day. So I offer that not as an apology, but just a fact.

And let me say that I have a real worry. Having gone through several periods of budget drawdown, some long ones, an occasional one of building -- I usually somehow manage to leave just as the building phase was coming -- and having gone through multiple reorganization efforts, including the major one at the beginning of the Carter Administration, and as I look at this incredibly changing world -- I had a great many remarks on that world that I'm not going to repeat today because many of you have already, in your remarks, touched on the incredible changes in the Soviet Union and the whole range of new worries, the unresolved transition in China and where that's going to go, the growing pace of economic competition in the international marketplace which we shaped, how we think about East Asia, the danger of seeing proliferation come into use in South Asia in a conflict. The Middle East problems have been laid out before us daily, but we're a very long way, in my judgment, from solving our problems in the Middle East. We have a Europe that's moving rapidly toward an integrated market, and at least for a brief period the world's largest market. We have many changes in the Western Hemisphere that could offer hope, a move to democracy, if we also got economic progress.

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So again, in a great many of these areas the kinds of problems that the country will have to worry about will be very significantly different from the problems that have primarily occupied us for the last four years. So my first plea is that as we go into this process of looking where should the intelligence community go, how should it be organized, how it should be managed, the only certain foundation for that is a very careful examination, country-by-country, what do we need to know and how can that knowledge be derived.

I have substantial concerns that I do not see a long-range planning effort in the Executive Branch that would look out. We did one in '81 called "Intelligence Capabilities, '85 to '90," which we shared with the committees, which helped guide the buildup. My concern is a comparable, hopefully better, effort, including priorities, before we start building down.

When we have reached broad agreement between these committees and the Executive Branch -- and I carefully say the Executive Branch here because I have a view that what we need to know isn't derived just from the intelligence committee. They're the ones who set out to do it. It's in very large measure the articulation by State and Commerce and Treasury and Energy, if we can get them to do it, and the National Security Council staff, on what they believe their needs are going to be out at the end of the '90s, not next year or the year after.

When we have that clearly agreed, the we ought to proceed, having already studied the issue, with how we most effectively and efficiently organize the community to carry out that challenge.

There are so many shifting needs. And as I have tried to think about ways to recommend for you to approach this problem, I had not divided the effort in strategic and tactical. I'll have to spend some more time thinking about that, and I will respond back. But I've got a hunch that what looking at Desert Shield/Desert Storm is going to tell us is that that isn't a major problem. Having gone through a lot of crises before, you being looking to CIA for the lead role in developing political intelligence, which is often the heart of your strategic judgment as events build. The other agencies comment on it, they provide input, but you look to CIA for leadership in that role.

As you move to make a decision to commit forces that you may use in combat, there begins to be a shift. And increasingly in the Defense Intelligence activities, they begin to build up steadily in how they look at can they support military operations if they come. When you actually move to fight, the primary role in thta process is in the Defense Intelligence support structure. CIA watches, offers assistance, but they cease to be the principal point.

And as soon as the fight stops, it shifts all the way back. Because, again, it's largely political judgments that determine whether you're going to win the peace or lose it.

And I think we -- I, therefore, have laid out a series of problems, of thinking about how would you organize your activity and go after it. Support for policymaking and diplomacy, where you're looking both to avoid conflict, on one side, and, increasingly, how do you manage the economic competition, on the other.

A second one that's going to be with us is how you support the process of weapons system acquisition. Even as we draw down our forces, the nature of the various threats against which weapons may have to perform are going to be different. And so support for weapons system acquisition, trying to get the potential threats right, will continue to be important, though it will be different.

The third one is support to military operations. And I think there you have probably the greatest lessons to learn and to observe from studying Desert Storm/Desert Shield. What worked? Why did it work? Where were we already ready? Where should we simply be grateful that we had five months to get ready for the conflict that ultimately came?

There are a series of others that aren't new, but they're in fact probably still growing, not diminishing.

Proliferation and the impact as one thinks about a whole series of arms control agreements, on proliferation both of delivery systems and the weapons of mass destruction.

Terrorism. Counter-narcotics. Counterintelligence. And indeed, in this changing world, how we think about and what we do with regard to covert action.

In trying to look forward, one of the things we need to focus on are time lines for our intelligence needs. How quickly do we need? What is the time line for the information that's needed? For weapons system acquisition, it may be months that you have to work on a problem. If we are right about the changing situation in the Soviet Union, it may be at least weeks to months, as opposed to hours or days. On the other hand, we've seen dramatically that it may be, in the Middle East, the location of Scuds and whether or not they're about to be fired. It may be minutes, not even hours, that you're concerned about for indications and warning in very different areas.

We had an indications-and-warning process focused on the Soviet Union that I think, all in all, had become really superb.

But the time lines and the systems to work at these problems in other parts of the world are very different. And we really do have to seriously look at how the intelligence community goes about the process of indications and warning in a very different world. And there, you are right that there is the strategic warning and the tactical warning. And in those areas, I think you're exactly on the right track already for zeroing in on how you look at those.

But it's going to be warning of a very different problem, not warning of what the Soviet Union does outside its border, but what happens with an Iraq or others that we could all list that might turn out to be aggressors outside their own borders.

One thing that we learned out of this recent experience, if we think about the new world order: How do we provide intelligence support to international operations, to coalition forces? As we look at the systems and the censors and the things we've developed, which we often wrap in deep classification, how — how did we provide support for not just the British and the French — those are easier because of the NATO ties and other long relationships — but for the Egyptians and the Syrians and the Saudis, who were in it? Is this instructive to us? As we think forward in any kind of new world order, how will we provide support for international military operations in which we may be engaged.

My major plea, as you look going forward, is for geographic breadth. As I look back at...

SENATOR JOHN CHAFEE: What?

ADMIRAL INMAN: Geographic breadth. And I'm not sure that's the right word, Senator Chafee, to describe what I'm after. But as I look back at the drawdowns that began in '67, when we set out to reduce official American presence abroad because of gold flow, balance of payments issues, and we did the greatest damage to our human intelligence capabilities because we took out the political, economic, cultural affairs, commercial attache, as well as the military attache, and the cover billets for the clandestine service, in a process that ran all the way from '67 to '81. And we gave up geographic coverage, any depth, of the Western Hemisphere or Western Europe, of East Asia, much of South Asia, even countries in the Middle East, including the one with which we've most recently had our problem.

And I'm persuaded, in looking back at it, we do that with great peril. And that's really what motivates my opening remarks about focusing country-by-country, instead of letting it go. And you're going to find I'm going to say: If you've got to

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make some trade-offs and do reductions, if Senator Glenn's plea for more, rather than cutting, isn't going to ultimately carry the day, then I'm going to suggest to you some different ways to look at the problem. Don't do the geographic cut again that we did before. Keep some capa -- we don't know where the next problems are that are going to trouble us. And they may be military or they may be economic or they may be some mix. There may even be human rights in the issue.

In rethinking management, let me remind you of how we have, as a community, in the past, or at least back in the years when I served, 22 years, thought about managing the primary functions of the intelligence community. We had as a basic guideline, reconfirmed in the '77 Carter reorganization effort, a single-manager approach for managing collection. In actual execution, we had the single manager, Director of the National Security Agency, to manage our signal-intelligence collection operation. We had the Deputy Director of Operations of CIA managing the clandestine human collections. We never addressed how we got all the overt human collection. And we left the imagery area to be done by a committee, do the process.

Processing, we usually always have shorted in funding. If something becomes expensive we cut back on processing.

And for analysis, the primary guideline was competitive analysis, reconfirmed in the Carter year study. And that was because of, looking back, the worries about budget, intelligence out of the Pentagon to support weapons system. The CIA was viewed as the one to keep the Pentagon honest about the judgments by competitive analysis on military issues. We never really focused on how did we get competitive analysis to make sure the assumptions weren't weak in the economic side.

I&R did a very good job with a very small organization to at least bring some cross-check in judgment to CIA's political analysis.

Thinking forward. When you put a system in space, you can't go up very readily and change it. So my plea is that as you think about collection systems that you are going to place remotely, you go for the widest aperture you can, a design that will give you the potential to use in as many ways and against as many targets as you may need to do. Even though that may make what you put in space more expensive. And that if you are under very constrained circumstances, you limit what you decide to process, the investment in the processing.

You can always add the processing capability on the ground, albeit at time and at cost. But you can't go back and add access to what you have put in space.

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I spoke to this committee in a closed arena last year, and I have to the committee in the House. I would simply reiterate in this open forum that I believe there is a need for a very detailed examination going forward of our reconnaissance needs, looking very carefully at what we have in space and what we have that's air-breathing, whether manned or unmanned, and that looks across the range from imagery through signals intelligence.

Certainly, the most recent experience in the Middle East has told us that our needs are not diminishing, and there have been some second thoughts about some of the earlier actions.

I think this is a critical area. It's probably the single most expensive area of investment, in the aggregate. But in looking at that very carefully and deciding what's in the national foreign intelligence budget -- and you, mandatorily, must also look at what's in the tactical budget.

And Senator Glenn has already put his finger on a specific issues that's worried me in the process, the ability to do the tactical reconnaissance necessary. They can be in the Reserve force or the National Guard. I don't consider their organizational assignment a problem. What's the problem is the competence and the capability of the equipment to respond if you need them.

Before you make an investment, there should be a clear decision, shared between the Executive and the Congressional Branches, that you're prepared to use that, even in a crisis situation short of conflict, to gain information, even if there may be those who would be queasy about diplomatic protest about the use of a platform. If you don't believe you're ever going to use the platform if there's any potential for diplomatic protest, then you ought to look for some other way to obtain the information than proceeding to put your investment in that arena.

Turning to -- let me dwell further on the issue of analysis. I've been one of the great sponsors of competitive analysis over time. But as I've thought about this problem far away from Washington, and what I hear the Chairman and Vice Chairman saying is a reality of some budget reductions, I would come down ultimately and take risks that assumptions might lead you astray in analysis, opposed to giving up geographic coverage.

So, if I had to make an ultimate judgment, which I'd rather not, I would end up looking at how you spread the analytical effort that's done in CIA and DIA and the services and State to make sure you didn't leave any countries uncovered, that you weren't doing some ongoing activity, as opposed to making sure you had competitive analysis, as against potential budget intelligence.

I think the overall pressures on the defense budget are probably going to take care of the worries in 1958 and '59 about a missile gap, which helped put in concrete the way we thought about redundant analysis in the past -- competitive analysis in the past.

Looking at organization itself, starting at the top of the system, I would -- I can envision three different models for how you organize and execute the problems.

One is a model where you have the Dep -- essentially the model we have now, organizationally: a Director of Central Intelligence and a Deputy Director of Central Intelligence, who both try to manage the functions that are necessary, broader than the Agency itself, and also give CIA detailed the management attention it deserves and needs.

Let me remind you that the -- if you think back to the years from '47, Director Helms and Director Colby had some functions that were broader than CIA. Certainly the estimative function, that's been there since '47, remains a critical one. The responsibility for looking at other sort of common-user services. But it really was not until 1976...[technical difficulties]...and Executive Order, a committee to do it. And then in the '77 Executive Order, the responsibility was given specifically to the DCI.

We had up through Director Colby, your congressional interaction was with a few chairmen and vice chairmen in informal session. And if one simply looks at the requirements that we have put in place, collectively, for oversight and for budgeting, the number of committees and the number of hearings, to do those roles properly and make sure they're done properly, requires a lot of time and attention. And there continues to be the need to insure the President has, himself, the best available intelligence support in the most timely way, even as a large agency is being effectively managed.

So, looking at the first model -- a DCI, a Deputy DCI, both trying to discharge those functions and do manage CIA -- there is a requirement first for breadth of experience across all the community functions for those two individuals, and a requirement for an intelligence community staff that is very vital, very visible, extraordinarily well staffed and independent in its manning. And I believe, personally, there's also a need for an executive director within CIA who can provide the detailed supervision of that agency's operation. Because if the DCI and DDCI are going to be spreading across all the functions, as they can, there needs to be an individual who can be held accountable who is supervising all of CIA's activities on a daily basis.

That model has been tried from time to time in the past. But in candor, even as I run through the other model, you can't separate any of these options from personalities. And the personalities and the experience of the individuals, including the executive director, if you use that model, and a Director of Intelligence Community Staff, are important in how well these work and now vigorous.

The second model is essentially the model we tried for a year in '76-77: a Director of Central Intelligence who has two deputies in the law, one who runs CIA and the other who runs the intelligence community efforts.

You can draw on witnesses who went through that, Admiral Murphy and Mr. Nokke (?), Joe Walters, who had some experience with it. There are pluses and minuses to the process. It does say that there is no alternate to the DCI who has the full broad picture. You've given up some of that breadth that you have in the first model if the DCI is traveling or away. On the other hand, you do have much more detailed attention to the community problems, as opposed to being in an ad hoc model.

The third role is one we looked at briefly in the late '70s. That is, to create a separate Director of National Intelligence, Director of Central Intelligence, whatever title you want to give, but an individual whose primary responsibilities: intelligence, report to the President, the President's intelligence officer; resource allocation to the community; primary spokesman to the Congress for all the functions; and the manager of those activities where you must draw together all of the agencies -- i.e., the intelligence estimative process primarily, but some other common-user functions as well. In that case, you would do a Director, a Deputy Director, and you would at least put what's now the National Intelligence Council and the intelligence community staff as the structure.

There are weaknesses to all of these structures, as well as advantages. I suspect if you query the former Directors of Central Intelligence, none will support the third model, because they all remember the support they got, primarily from CIA, for carrying out their missions. And they worry, without that, that they would not be effective in the city. I've even heard the phrase used that they would be like the drug czar.

Well, you heard from my definition that you don't consider that option unless you're going to give them very substantial supporting staff and structure to do those functions. So this in fact -- that comparison is not a valid one, in my view.

Having leapt through that, let me simply reinforce. I think you ought to hold with a single-manager approach to collection. But let me make a change. Let's move on away from a committee to manage the imagery collection. I believe what you will learn in looking at Desert Storm/Desert Shield is that DIA did a very creditable job in managing for the community the imagery collection.

So I'm prepared to move forward, that as we -- just as we assign the Director of NSA the job to manage all the SIGINT collection activities, and the DDO, certainly responding to the DCI, to do all clandestine HUMINT, it's time to get on and assign DIA the responsibility, not a committee, to do the management of the imagery collection, with the clear understanding that in peacetime, if there's a dispute, the DCI decides; and in wartime, if there's a dispute, the Secretary of Defense decides.

So, you don't change the structure or how you do it, you just change the referee as you move from peace to war.

On analysis, ultimately I think you have to look at the shifting needs and make sure that as you look at the analytical efforts, someone has the responsibility, clearly, to deal with all of these problems that we've outlined going forward; again, that you can have accountability.

I have been, if not the most visible, at least one of the most visible spokesmen for taking the intelligence budget out of the defense budget and doing it separately.

Let me make sure everyone understands clearly what I have in my mind and my motivation, because the attractiveness of my proposal may recede significantly as you contemplate, as members of Congress, how could you actually make that work.

What brought me to that proposal was having lived through the drawdowns in the '70s -- Vietnamization, et al. -and having seen the intelligence agencies not only go through the planned reductions, but then take another five percent cut as the Appropriations Committee made their last-minute efforts. proposal to pull the budget out, absolutely implicit is that these two committees, in their wisdom, would reach agreement on authorization, and the Congress would fence that budget. in fact is a budget taken out of DOD is going to be subject to the vagaries of getting cut like every other departmental or agency budget in the Congress without consideration of it, I frankly would rather take my chances inside Defense, of being able to make the case with the Secretary of Defense on why you needed to be spared, than to be given to the tender mercies of those who may know almost nothing about it. He will at least have to know something about the process.

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If you can fence it, then I do think taking it out and doing it separately -- and I'm even -- I'm certainly prepared to unclassify the total amount and defend that to the public why 10 percent of our total defense effort spent for both national and tactical intelligence is not a bad goal at all. Just as I don't think Il or 12 percent of the budget for research and development is a bad goal at all for the country.

But if you can't fence it, then I think my idea that I've been pushing, of taking it out, may not be a sound one. And it may be better to leave it in Defense.

That doesn't say you can't address the issue of revealing what is the total expenditure. That's a different issue. And I think we can build public support for why a very significant expenditure in trying to understand the outside world saves money and saves lives over the long term.

Finally, three quick actions -- three quick areas.

Covert action. This committee knows I've not been one of its greatest fans, though I accept that every Administration comes to it at some time, usually on recommendations of Assistant Secretaries of State because diplomacy isn't working and they want some help. So I think we have to face the reality that that's going to be there. But I'm prepared to build in an institutional barrier to say: I believe CIA can do more competently than any part of the government political action, propaganda, if we decide we need to do it.

I'm not persuaded they can do paramilitary operations better. And I would the institutional barriers and institutional change, that if one's going to undertake support for paramilitary operations clandestinely, it would be done by the Special Forces of the Department of Defense. And you have a handle. And I would suggest to you that will at least cause the decision to be made very carefully, both on those handing off and those receiving. And it won't be something that you slide into casually in the process.

On charters. We considered them in '79, '80, for the other intelligence agencies, legislative charters. I still think it's a good idea. But what we did wrong before was to try to make them too detailed. So as we turn to the issue, do them sparely, do them leanly, do the things that are critically important, the things that make it easy moving between administrations, even when they're still from the same party, as what's driving it.

Senator Glenn really preempted almost what is my last item in the process: human resources.

I think this, to me, is the second-most critical area after what we need to know. How do we attract and retain and promote the competent talent that we're going to need for the challenge out ahead of us. And that won't happen accidentally. And why I bring this to this specific committee and to your counterpart in the House is that when you start budget drawdowns, there will be intense pressure, particularly within Defense, to reduce the number of general and flag officers, to reduce the senior civilians. And unless these committees look carefully to protect the flow of talent and the promotion, you will not have the leadership that you need.

And as you set out through this process, you're going to look at a lot of people who are there now whom you will find did extraordinarily well in providing the leadership that was needed through Desert Storm/Desert Shield. That's not an accident. It's a result of a focus on career development and a promotion system guaranteed in the law for some but not for others. And I have great worries that, as I look across the military services, there are not viable career patterns on to general rank for all the intelligence officers we need. There aren't the guarantees of promotion to the general or flag officer ranks even for those we get through the 0-6 level.

Both for the military and the civilian, a focus on career developent and training to give them the breadth and the depth for the problems is going to be absolutely critical, the language training. And in a budget drawdown, those are frequently the first things given up.

So, as you look the process, may I make a special plea for a focus in protecting those areas, because that's going to determine the competency of the leadership when we have the next round of crises early in the 21st century.

Thank you, Mr. Chairman.

SENATOR BOREN: Thank you very much, Admiral Inman.

So that we can go around the table and have all members have an opportunity to ask questions, I'm going to suggest we have a round of questions in which we limit ourselves to three minutes each. And then we will have a second round, if we need, before going on to our next witness, General Odom, who's also now here.

You've listed the three models, the three major organizational models for us, specifically focusing on the role of the Director of Central Intelligence, whether that person should also have the Agency responsibility, along with responsibility for giving direction to the entire community, and also direct advice

to the President. In listing those three models, you didn't state an explicit preference for any one of the three models.

Is there a preference, in your view, for the model that we should now follow?

ADMIRAL INMAN: If we had lots of resources in a building mode, I think Option 3 would probably be my preference. Equitability among the agencies, the depth of cross-check against what's being produced, the avoiding of mistakes, the additional buffers to make sure you're doing things in the most effective and efficient way.

In a time of while you are drawing down, Option 2 is one where you can bring the focus and the detailed attention to the interaction on the resource allocation process.

If you're very lean and very thin, I think the structure we're in may be the better one, provided you've been very careful at how you stamp the functions that have to reach across the agencies and community.

I deliberately have not talked to anyone who's now the head of an intelligence agency and I have avoided some efforts to come and brief me on current accomplishments by various organizations. I should have said at the outset the views you're getting today are absolutely my views, and not those of anyone else, including -- I've not discussed this with any of my colleagues on the Foreign Intelligence Strategy Board.

I worry when I see too many ad hoc groups put together to deal with problems. That says we don't have the clean lines. Or if we don't -- you know, if the intelligence community staff isn't now doing wha we want, then we look -- have that staff functions from the people who are there.

I don't have any problem with an occasional ad hoc committee. I did it myself on occasion. But the bulk of the functions [unintelligible] I drove through the intelligence community staff functionally. And as I listen, I hear about an awful lot of ad hoc groups looking at problems, and it simply causes me worry that either we don't have the right people or we don't have the right structure, one or the other.

SENATOR BOREN: What about the whole question of getting the policymakers to look far ahead, in terms of what their needs are, in terms of the kinds of questions that they're going to need answers to, and therefore the kinds of resources we're going to have to put into place?

I think as we look back, for example, at the situation in the Persian Gulf, there was not early enough on a tasking of

the community to provide the resources that were necessary for that area of the world. I don't think the policymakers themselves were anticipating that this was an area where we really needed resources.

Then there was the second failure, then, within the community itself to not really provide early enough warning a year, two years out, with enough lead time to give the President options.

But how do you -- is there any organizational or structural pressure that can be brought to bear, whether it's on the diplomatic community, whether it's the policy community in other areas, whether it's economic policy, energy policy, as well as what we think of as normal diplomatic activity, are there any organizational structures we could put in place that would really require our policymakers to focus on their needs earlier, and therefore to give the kind of guidance to the community that it needs to develop the resources that need to be called on?

ADMIRAL INMAN: Mr. Chairman, we've tried a variety of approaches. Sometimes they've been called key intelligence requirements. They've been called various intelligence requirements. Shifting different DCIs, different administrations. Those, in fact, tend to be primarily a reflection of what the intelligence community believes the requirements are, 'cause they're the only ones who will spend any time on it

The only time that I'm aware of, at least in the last 20 years, when we managed to break out of that was when we did go to a separate effort in putting together intelligence capabilities, '85-to-90. The first part of that, the first, most critical part, tasking from the Assistant to the President for National Security Affairs, tasking that a capabilities plan be developed that looked at not just -- it wasn't a budget thing. It leaped beyond that, to look out to the last half the decade, five to ten years away.

We also got a memorandum to the Chairman of the Joint Chiefs, and the Joint Chiefs sending up to the Secretary of Defense, that this needs to be looked at.

So, we got together first a significant group of users and made them work for about 3 1/2 months, provided staff support, but made them define from their departmental views what did they think they need. They call complained, and they all ultimately did a pretty good job in coming up with much more in-depth look at problems.

We kept the intelligence agencies away from that entirely. Once we had that statement and got them to agree to

it, that they all signed up, this was a broad view of what they thought they needed to know, we then turned to the intelligence agencies and said, "What can you do now? What else could you do?" And that part was done well.

What we didn't do worth a hoot was priorities. We got what everybody could do, but we didn't manage to put together what's the priority with which you go down that list and try to do it.

Lest I give too grand a response to intelligence capabilities '85-to-90, I think that's how you have -- then you do that again in about three or four years. You don't do that every year. You do it on a four-year or five-year cycle. But you've got to reach out to some different way to pull dedicated people from the user community in to really work at that issue. It won't happen on just looking at a list of requirements and making changes.

SENATOR FRANK MURKOWSKI: Admiral, two brief questions. The first is accountability. And maybe I'm hung up on it, but I find it extraordinarily lacking as a quality of intelligence, in the sense of when something does go wrong, it's pretty hard to find out who had the responsibility for the security breach, that didn't do an evaluation of the appropriate backgrounds, and as a consequence we had somebody in a position where -- clearly, had somebody looked at it, made a value judgment -- we had a great deal of exposure.

We've all gone through the hindsight of the Moscow Embassy fiasco. You've experienced with frustration, as well. It's an exposure that you have when working with other people. But clearly, we look to a little better quality when we deal, at least under a supposition, [with] people who are involved in the intelligence community. Yet we do not seem to be able to maintain this oversight balance that I think is absolutely mandatory.

I mean you can sit down with an organizational chart and see who bears the responsibility. But some of these horror stories, the fingers point a dozen ways.

I'd appreciate a few comments you might make on...

ADMIRAL INMAN: I'll try to be brief, Senator Murkowski. It's a topic on which I could go on a long time.

First, one of the problems -- you always have a problem whe you have multiple departments or agencies involved. Unless you get it spelled out right from the beginning exactly who has responsibility for which function, you can be almost certain that it will be very hard down the way to find accountability.

I never had any doubt at all about accountability and responsibility when I was Director of the National Security Agency. The line was very clear. Everybody knew who to blame, occasionally to praise, in the process.

It was less clear at the Defense Intelligence Agency because you worked for both -- where I did spend a year as the Vice Chairman -- where you worked for both the Secretary of Defense and the Chairman of the Joint Chiefs.

A little easier to assign directly to a Director of Central Intelligence. But again, when you suddenly begin to share between the roles the Secretary of Defense has, particularly in the resource allocation and what's in the tactical budget and what's in the national, in all of those, if you don't define very clearly at the outset, you're going to have a problem.

But let me put one other twist on it.

Some people seek responsibility. Others try to avoid it. They can both get promoted in the process. And that sort of factors in my focus on the human resources and insuring you end up producting the leaders who seek the responsibility and who are willing to do the accountability.

You just listen to the briefings that come before you and you can tell pretty quickly who's got a bureaucratic approach and who's prepared to tackle a problem and take responsibility for it.

So, to some degree we're dealing with a human-nature problem. But we can work on it in working all those resources. But it's -- the toughest part is to nail it down when you get several agencies or departments in. Unless you define right at the outset who's responsible, you're not ever going to be able to get the accountability later.

SENATOR MURKOWSKI: We'd appreciate it, since the record will be open, if you'd give that matter some thought. Because it's just not good enough to put it out up front as you initiate an organization. But as you say, when you get the dual involvement, then the overlap and the accountability goes away. And I just wonder if you could make some very specific suggestions to this committee on how you would —— not necessarily at this time, but how you would suggest that we address this.

We're not requesting an organizational responsibility oath, but something short of that might be necessary.

ADMIRAL INMAN: Just one other quick thought on it. And

that's, you know, I have an aversion, from all the years in government, to committees. You need some and there are some things you need to coordinate. But committees tend to be a way to, again, spread the blame, as opposed to get on with doing things.

SENATOR MURKOWSKI: Last question, because I'm out of time and I respect my colleagues here.

During the Gulf War, we had the phenomena of observing activities in real time. People would, you know, say, "I've got to get home to watch the war." The significance of what that meant implies an application of intelligence that needs a step out. Because, you know, the intelligence community had the information at the same time that the rest of the public did. That doesn't imply we don't need, you know, the specifics of background and so forth, but it implies a new, more definitive outreach.

And I wonder if you'd just generalize very briefly on what this kind of real time means to changes that -- you know, whoever had the responsibility of providing the Intelligence Committee with real-time information wasn't needed in that particular sense, because we had that.

ADMIRAL INMAN: I may appear more relaxed on this topic than I really am, Senator Murkowski. But again, it's the experiences.

My first night working in the intelligence community was the night of the Iraqi coup in 1958, and our first knowledge of that coup was FPIS, and as I went through my first assignment as a briefer for the Chief of Naval Operations, Admiral Arleigh Burke. I would venture that more than half of the crisis we run across, our first tip in intelligence was from the AP or UPI or Reuters or the FPIS.

So, the fact that television has now leaped dramatically beyond -- in those days, if you didn't have one of those printers, you didn't know it. But if you had a printer, you knew it. Now, if you've got a television set, you know it.

I think sometimes my colleagues in the intelligence community get nervous that, somehow, they're being scooped. It's another sour -- wonderful, overt source in the process.

What you do, what it does force you to do is to, instead of rushing around to make sure you put out your three-hour summary so they know they're hearing from you, it's already been covered and they know it. Don't worry about it. Don't drown them in more paper they don't need. Give them information that they can't get from turning on their television.

SENATOR MURKOWSKI: Thank you.

SENATOR HOWARD METZENBAUM: Admiral Inman, I think you indicated that you would support the idea of making public the total amount that we spend in intelligence activities. Am I correct in that?

ADMIRAL INMAN: You are correct, Senator Metzenbaum.

SENATOR METZENBAUM: How much beyond that can we go in sharing with the American people information concerning our intelligence expenditures without jeopardizing the national security?

ADMIRAL INMAN: I had started on a road of saying I thought we could do it by organization without a problem. We are in a public session here and we have the reality that we have some intelligence organizations, that their existence is classified. So I suddenly ran into a great big problem when one of the larger elements in the budget is an organization we can't talk about in an unclassified setting. And maybe we need to go back and revisit where that really needs to be classified. That's a different issue, and I have my own views on that one. But there are several different intelligence activities that show up as budget entities for which appropriations are made, authorizations, that we do not acknowledge their existence.

So, that's now made me a little gun-shy about -- I don't have any problem with the total DIA budget being public or the total CIA budget or the total National Security Agency budget. I, frankly, think that the public at -- at least as I spend most of my -- a lot of my time now away from the Washington Beltway, the general perception I find in most of the country is that we ought to be spending whatever we need to know what's happening elsewhere in the world. We ought not to be constantly surprised. And so the total amount spent isn't, I'm persuaded, for the bulk of the public a major factor.

Our worry has been a different one: that, somehow, if we released those figures, it was going to help foreign intelligence services figure out where to go, burrow in, and conduct effective counterespionage. And I have increasingly had difficulty in saying where just the total figures were going to let them do that.

SENATOR METZENBAUM: Apropos your comment concerning American people want to spend whatever we think we need, that's possibly because they don't have any idea wha twe do spend. And if they knew, there might be a totally different approach.

It just seems to me that in a democratic society, that it's totally inappropriate to withhold from the American people

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what's being spent, unless there are some -- or any other form of activities, such as everything that we classify, the overclassification in government, unless there are some actual security reasons. But instead of that, we take a broad brush, we say no information at all with respect to expendituresl, and every document gets the classified stamp, regardless of how necessary or unnecessary that may be.

I have no further questions.

SENATOR WARREN RUDMAN: Admiral Inman, you've probably looked at more security, classified security documents and evaluations and analysis than everybody in this room put together, with the possible exception of some of your colleagues who are going to testify. And I was struck by the Vice Chairman's talking about accoutability, and one of your answers in which you described committees as a place to spread the blame. I suppose the reverse side of that would be it's a place to diffuse responsibility as much as you can.

Having said that, and you look at the organizational chart which the staff kindly prepared for us, one of the things that has struck me since I've been in the Senate, and has struck me even more in the short time I'm on this committee, are the number of people that, for the sake of competition, are involved in analysis; a fewer number of those, but still many, involved in collection.

I'm really directing my comments to strategic intelligence, not tactical intelligence.

I get the impression, over the last ten years, that in terms of what that competition produces, I don't see too much evidence it produces much, except maybe at the margins. And certainly in this recent experience, in the briefings that we had, and there were many, the community differential on analysis was at the margins.

My question is: Are we structurally set up in such a way, in the name of competition -- and I wonder, really, whether that isn't really a Trojan Horse for something else. But the history of setting up all of these competitive agencies that compete in these areas, in doing precisely what the Vice Chairman's asking you about -- and that is, not only spreading the blame, but rather than coming up with hard analysis which might be wrong, coming up with a bureaucratic diffusion of answers which essentially answers nothing.

That's my question.

ADMIRAL INMAN: Let me refer you to a classified document, that's probably now 20 years old, in the publication

that CIA used to call -- Walter, help me. It's the studies -- it's the in-house sort of professional...

[Inaudible remarks]

ADMIRAL INMAN: "Studies in Intelligence," of a young analyst named Robert Gates, who wrote a scathing article on the general approach to avoiding having to make hard judgments, just reporting history and not going out. And I think it answers more eloquently the question you've raised than I could do. But I remember it from many years. It was first drew him to my attention.

There's a -- so it doesn't have to necessarily even be different agencies in doing it. First, there's the mind-set. How risky is it to make judgments, as opposed to just sort of reporting history, in the process? How demanding are each layers above in saying, "You're the expert," you know. "Make a judgment on what you think's going to happen." And you have to stand by that.

Let me give you the risk on the other side. The very persuasive, loquacious analyst or intelligence officer, or something, who comes and gives you a very clear and disturbing picture, which is based largely on emotion and very little fact. And that most often happens when you've got highly charged issues and not much hard data.

And I've heard over the years a lot of people make great cases for what's there and they seem to know so much about it and they sweep people along, and then you go back later and you find out there wasn't much hard fact, but they were awfully good at articulating judgments on that process.

So, I'm not sure this is an organizational issue as much as a quality-control issue, and what you lay out that you expect.

I was not a fan of competitive analysis as a lieutenant, lieutenant commander, when I was the Soviet Navy analyst and didn't understand why we needed to have somebody from CIA doing the same thing. Honesty compels me to tell you that there were occasions when they challenged some of my assumptions and I rethought them and decided I was wrong, and I came out differently in the fragmentary pieces.

And the heart of the problem here is, in this intelligence business you rarely have the whole picture. You're dealing with bits and pieces of information. And your own assumptions can often drive how you put those pieces together. And you look at it and you just simply see it differently.

So there is a risk, if you move away from the competitive analysis, that nobody will challenge the assumptions and you could be misled. I think that's a risk I would rather take than giving up coverage at all of parts of the world in the drawdown out in front of us.

SENATOR RUDMAN: I thank you for your answer.

I just get the feeling that if we're going to have problems with money, then we ought to concentrate on quality, the kind of thing that General Powell talks to us about when he talks about we're going to have a smaller armed force. I mean maybe it's going to be smaller, but let's make sure it's better, with better people, better training, better equipment.

There was a sense that I have that it's become so bureaucratic and so big in so many places, that maybe we're spending too much money on too many things that maybe aren't good. We might spend less money on better things and better people, and get better intelligence, maybe, with less competition, I expect.

When you talk about reorganization, Mr. Chairman, whether we ever get to that or not, you're essentially talking about whether or not you keep the structure as it is. I dare say that if you were going to start a superpower someplace up in the Arctic next week, a new nation, this is not the structure that you would probably adopt for intelligence, this group.

The question is, you can't go back to square one. It's too late. But how do you get maybe back to square 99? And I think that may be all we can accomplish.

ADMIRAL INMAN: And how do you make sure that positions aren't taken to protect institutions, as opposed to how do you try to solve a problem or get on in giving the best answer.

SENATOR RUDMAN: We know something about decisions taken to protect institutions around here, Mr. Chairman.

Thank you.

SENATOR CHAFEE: Mr. Chairman, I have a statement I did not put in earlier. I'd like to put it in there.

Just a couple of points that I'd like to make which pertain to what we're discussing here. And that is, I believe we're going to become increasingly dependent upon intelligence as we look to the future. If you look at the plans for our armed services in the next five years, it calls for a cut of 10 of the Army's 28 divisions -- that's a 36 percent cut; 10 of the Air

Force's 36 tactical fighter wings -- that's a 28 percent cut; over a hundred of the Navy's 545 combat ships -- that's a nearly 20 percent cut. So we've got some big cuts coming.

Now, the next point I'd like to make is -- and I think that intelligence has got to take its share, some portion of the cuts. But I think increasingly intelligence is going to be important.

And the next point I'd like to make: Several people, on their opening statements, have referred to the Goldwater-Nichols Act. I'd just like to put that in context, if I might. The Senate Armed Services Committee held its first hearing on the organization of the Defense Department in 1982, and it wasn't till 1986, $3\ 1/2$ years later, after 25 hearings, eight task force meetings, ten mark-up sessions, that the Senate passed the legislation that we now applaud and give some credit for being of major assistance out in the Gulf.

Now, the point I'm making, Mr. Chairman, is that I'm for looking at the intelligence community. I think it's worthwhile. But I think we ought to pursue with deliberate speed if we want to arrive at a prudent result. And we shouldn't say that if we don't complete it in this calendar year or next calendar year, that we're failures.

The next thing I'd like to point out is something that Admiral Inman stressed, and it's something that Admiral Moorer used to tell us often. When things go wrong, it isn't always the structure that's wrong. Sometimes you ought to change the people.

And it seemed to me that you were pointing out that don't always look at the structural setup, but look at the people you've got in it.

The question I'd like to ask: As I understood your testimony, Admiral, you said your number one plea was that there be geographic breadth. Now, as I understood what you meant by that, is don't have vertical cuts. Don't say you're not going to cover -- have anybody in Country A...

ADMIRAL INMAN: You've got it exactly right.

SENATOR CHAFEE: ...because you're going to -- that's unimportant.

Now, it seems to me that -- am I correct in saying that there's some countries that, and maybe in Europe, that you don't need such coverage for? And I hate to use names here, because then it'll go out that we're not spying on such a nation, or we

should spy more. But there are some that, it seems to me, if you're in the geographic area, you're doing pretty well.

Is that right?

ADMIRAL INMAN: You really trigger me for a point I didn't make clearly enough earlier. And then I'll zero in on...

SENATOR CHAFEE: Have we got time?

[Confusion of voices]

SENATOR CHAFEE: Chalk it up to Senator Warner.

ADMIRAL INMAN: Thank you.

The issue, Senator Chafee, that I was trying to get at, when we talk about human intelligence, is that a vast amount of the human intelligence that's available to us is not clandestine. It's overt, overtly available. The issue is, do you have the competent observers, be they political officers, economic officers, cultural officers, commercial attaches, science attaches, legal ataches, military attaches, assigned to the State Department, as well as the variety of official and unofficial cover clandestine, that says you really track broadly the information that's available?

But in this context, that you also think about in this evoling world, your interest in a lot of countries is going to be in their economic decision-making process and where are they headed toward trade barriers or constaints, as opposed to the military issues, and political ones, that have driven us in the past. I think as we move to a common market, as we move to understand what are the pressures that tear on the alliance structure, what are the things that are different between a Western European Union and an EC and a NATO, that we need to understand substantially better what's happening in those countries and have ongoing analytical efforts.

That does not mean it has to be a clandestine agent, in the terms that we think about spies. But it does say that you've got to have overt observers who understand the language, who read it, who are competent, not just count on it being done in English, and that in fact you regularly flow and look at those problems to say: Are there things happening here that we ought to flag to the policymakers that they ought to get on?

. That's what I really have in mind when I talk about the geographic coverage.

SENATOR CHAFEE: Would you think that those people should be on the payroll of one of the intelligence agencies?

ADMIRAL INMAN: No. I don't at all. And this is the problem, and I went too fast through it earlier. We've never gotten it right. How do we insure -- how do we stand up here and insist that the Foreign Service get manned and staffed at a level of more than consular officials and administrative officers in the process?

I watched the same thing slip in under budget pressures, to recommend the President sign a letter that says he wants lean emassies. If you go back and read every letter from '67 to '81 signed by Presidents to an ambassador, there was almost a full page on how you reduce the official American presence. Not once was there anything in there: What do you know about the country where you are? Where ae the places we might be surprised, even if it's a friend today, in where they're going to go?

So, it's a tough challenge I'm giving you, because a lot of that doesn't end up in the -- shouldn't, in my view, be in the intelligence budget. But yet I go back to my days as a briefer. And getting ready for that morning brief, frequently the diplomatic reporting and the FPIS reporting took up a very substantial part of what I decided Admiral Burke ought to know in that ten minutes. Not things which came from the classified intelligence-collection activities. And I'm afraid that's where we're losing a lot of the coverage that we need.

So, when we think about human intelligence collection, we need to think about it very broadly.

I've lobbied my colleagues at the DDO that they ought to set up an advocacy office that, in fact, advocates everywhere that information can be collected overtly. And when they struck out getting and spending other people's money to get the information, then they set out to do it clandestinely.

SENATOR CHAFEE: Okay. Fine. Well, thank you very much.

SENATOR BOREN: Thank you very much, Senator Chafee.

And Admiral Inman, thank you very much for being with us. We appreciate...

ADMIRAL INMAN: My apologies to General Odom and Mr. Latham for taking up so much of their time.

SENATOR BOREN: We appreciate the thoughts that you shared with us very much. And there may well be some of these subjects we'll want to pursue with you later on in the process of our hearings in private conversation, as well.

Appreciate your being with us.

Our next witness, also no stranger to this committee, is Lieutenant General (Retired) William E. Odom. General Odom has testified before us on a number of occasions, though usually in closed session, in a different setting than we have today.

As all of you know, General Odom served as Director of the National Security Agency in the mid-1980s, and prior to that he was Assistant Chief of Staff for Intelligence in the Department of the Army. He also saw duty during his career at the National Security Council, and previously served also as Defense Attache in Moscow.

So, he's had a very broad-ranging career, vantage points, various vantage points from which to view the intelligence process. He brings a wealth of experience to bear on the subject of today's hearing. He is always a stimulating person, one who causes us to think, one who speaks very directly. And that's valued by the members of this committee. It's helpful to us. He has a keen mind and a very creative mind.

So, General Odom, we're very appreciative of your taking time to be with us. I know you're continuing to stimulate minds, as I hear from students and colleagues at my alma mater, where you're now doing some teaching, and I'm getting wonderful reports on your teaching there and what you're sharing with the students. And we appreciate your bringing your prespectives to bear with us today.

[Asides about time constraints]

LT. GEN. WILLIAM ODOM: Mr. Chairman, I do find it an honor to appear before the committee again today. And I realize that time is short, and I will try to be brief. But I think in order to get a basis for discussion -- and some of the points I have in the discussion bear directly on the questions raised earlier, I do need to elaborate a couple things.

I commend your attention to organizational process issues. I think that's long overdue. I can only paint in very broad strokes some of the solutions.

I think, first, we have to have an approach. And the first step in that approach is to understand that we will talk only nonsense about organization and structure unless we have a commonly accepted paradigm of what intelligence is supposed to do, for whom, and how it is to do it.

Second, we need a similar paradigm for managing resources within the intelligence community. That is, we need a scheme for relating the resource inputs to intelligence outputs.

Now, third, if we have those paradigms, we can judge where we are today against the present structure.

That's very simple to say. But my experience with the intelligence community has been that there is no doctrinal paradigm, that there are several here and there. On other places, there are none whatsoever. And some are made up day-to-day, depending on contemporary bureaucratic interest.

Let me offer the broad outlines of one, since there's an absence. It's one that I don't claim any originality in. You can trace it back to Elihu Root's reforms in 1902 in the Department of War, when he created the Army staff organization.

Intelligence, in that approach, is broken into two functions. The first is the staff function for analysis and production, and the second is the collection and collation funtion. Collation is a buzzword now called processing.

Production. Let's talk about that one, then talk about the collection function. This function has to be done in close interaction with the operational process or the policy process. The staff intelligence officer must head it. At the lowest tactical levels, that's the S-2 in a battalion, G-2 in a division, the J-2 at the joint staff. It's I&R in State. It's the Intelligence in the Treasury Department. Whatever.

It has to have intimate involvement with the Cabinet officer or the commander or whoever runs the operations all the way down, or it will fail. That point is critical. the very head of the intelligence production process can't be separate from the institution and the policymakers it supports. In other words, a separate intelligence institution doesn't make any sense.

Elihu Root offered -- accepted the findings of several studies in Europe which showed if you didn't put intelligence on a coequal level with the operators, that the operations staff, which in the German case subordinated the intelligence, tended to override it. It did the same thing to logistics. And the result was not very good.

The key point, I think, to remember is that the intelligence officer at the staff drives this whole process, just as the plans officer out for General Schwarzkopf wrote the plans which he signed out as orders to tell the Air Force to do one thing, the Seventh Corps to do another, and the 18th Airborne Corps to do another. There should be an equivalent order directing process for intelligence.

Now, let's review the second function, collection of intelligence.

And by the way, let me make in that point that almost every institution in the government, if you look, has such an intelligence officer. There is an absence of that staff function in some places. For example, there was in the FAA when we began to look into intelligence support for that organization. It is not true, however, that all those intelligence staffs understand the community or know how to get into the intelligence collection business.

So, I think there's a paucity of understanding about how they ought to function and how they could best draw on the collection systems.

Now, there are essentially three intelligence disciplines: signals intelligence, imagery intelligence, and human intelligence. We could talk about counterintelligence and others, but let me put that aside.

All institutions have an organic capability, of one kind or another, to collect their own intelligence. At the battalion level or the company level in the Army, it's a rifle squad that goes out on reconnaissance. It's a political officer in an embassy that tries to answer a question, one way or another, through overt sources. And so forth throughout any other agency.

The staff intelligence officer has to be able to direct them, in the name of the chief, or they're wasted resources. But that's not enough. He has to be able to go out to the flanks and pass the imagery column, the signals-intelligence collection column, and the imagery [sic] column.

The much larger collection capability, in particularly the technical services, is found at the national and the departmental level. These are not going to function very coherently unless they're managed from top to bottom in a coordinated fashion. And they have to have a myriad of communications from their functional discipline -- signals, imagery, or human intelligence -- out to these literally thousands of potential demands. So you have to have one enormous distribution system.

There should be a link between the collection discipline structures, linked from tactical to national. And if there is not, there will be a breakdown in the utility or the use of collection assets; and many questions will go unanswered, not because you couldn't answer them, but because the right mix of collection at lower and higher levels is not brought together.

Now, the nature of each of these disciplines is so different and so the skills required in each are so specialized that I think a single-discipline organizational structure is imperative for each. And I was pleasantly surprised to hear Admiral Inman come fairly close to that a bit earlier.

SENATOR BOREN: You're saying, in other words, one boss, if you want to put it at that, for...

GENERAL ODOM: Per disicipline.

SENATOR BOREN: For imagery collection. One boss for signals collection.

GENERAL ODOM: Absolutely.

SENATOR BOREN: And one boss for...

GENERAL ODOM: Human intelligence.

SENATOR BOREN: ...HUMINT collection. That can be then clearly -- each one can be staffed by whoever's above that.

GENERAL ODOM: Right. Next point...

[Inaudible remarks]

GENERAL ODOM: Absolutely. We're going to get back to accountability, your question. Your question is a very key one. I think there's great forward answers. We just don't want to give 'em to you.

[Laughter]

GENERAL ODOM: The national level doesn't have to own everything under the collector. In other words, doesn't have to be the commander of it. He must have, however, what's known in the joint command structure over in the Pentagon, operational control. In other words, it takes its operational directions from this collection manager.

The Naval forces in the Gulf and the Army forces and the Air forces had their own component commander. They were commanded by that component commander. But the operations orders came out of the J-3 in CENTCOM. And that's precisely an arrangement you can set up. It's one that is already fairly extant in the signals intelligence community, but not so much in the rest.

Now, the intelligence -- each one of those chiefs must get his directions from these intelligence analytic staff officers of the production function. He can't be out there seeking information to answer questions nobody asked him. So he has to be subordinate. He has to be driven by them, or again the accountability issue comes up. He can't sit there and prioritize on his own.

But once he has been given priority in collection, then

he needs to have the latitude to mix his collection assets any way he wants to and collect.

Now, if you have this operation that way and you allow every element which has a G-2 or an S-2 in staff intelligence collection -- or, rather, production and analysis section to link into these vertical collection disciplines, then you can, I think, solve most of the management, in terms of operations and supply of intelligence to people who need them. And you won't end up answering a lot of questions that nobody asked you, and failing to answer the questions that were desperately in need of an answer.

Now, let me turn to the second issue, relating resources, input resources intelligence to output resources. Many of these resources in all the disciplines -- SIGINT, HUMINT, IMINT -- are found at every level. The program responsibilities for these means, if it is to be carried out responsibly, must be placed so that duplications at various levels don't occur, so that dysfunctional mixes are avoided, and so that the obsolete means can be identified and modernized.

Now, if the imagery national manager has to answer to every command level for failures in delivering imagery, he's likely to have a good idea about what new or different kinds of collection resources are needed. If cuts in imagery are to be made, it is clearly -- he is clearly the only person who can find out where to make those cuts best. This is equally true for SIGINT and HUMINT. And it is also true for the production function.

Now, let me just make a point about that.

SENATOR CHAFEE: Mr. Chairman, unfortunately, I have to leave.

But I did sneak ahead in your testimony here. And you -- I just want this one thing. You say we have serious structural problems. Do you provide an answer for that in here?

GENERAL ODOM: No, because I was asked to paint in broad strokes and because this is an unclassified hearing. No. But I'm quite prepared to provide fairly explicit answers. I'll give you one right now which...

SENATOR CHAFEE: Well, I don't want to interrupt the flow here. And I'm interrupting only because I have to go.

But, Mr. Chairman,...

[Confusion of voices]

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SENATOR CHAFFE: I mean we've got a very distinguished witness, and I hope -- and he can help us on the solution to these matters, too.

GENERAL ODOM: Well, just let me end right here by saying that if we have -- if we can agree on these two paradigms, the one for operations and the one for resources, the fellow responsible for intelligence output is responsible for coming over here to the Congress and getting the money, then I think you'll know who to hold responsible. And until that happens, nothing's going to -- you're not going to have responsibility.

Let me just make one point which might be of interest to you here if you did look at it. I would encourage you to read the part where I said, "What about the management of resources and relating them to output?" Here the intelligence community has serious inadequacies.

When I was the Director of NSA and I went to the National Foreign Intelligence Council meetings, I was the only person there who could talk sensibly about what -- where cuts in resource inputs would affect resource -- intelligence outputs. The person at that meeting who had the largest program budget hadn't the slightest idea about that because he had no responsibility for intelligence outputs. The DCI was very frustrated because he didn't get any answers. It shouldn't have been strange. There wasn't anybody there who had the information to give him the answers. We were organized to be sure that you couldn't relate inputs to outputs. Back to Senator Murkowski's point.

Now, I think if you take these two paradigms -- I don't think you'll get much of anywhere in discussions here about what you ought to do until you can get people in the community and among yourselves to agree on these basic doctrinal principles. Once they've agreed on them, then I think you can go lining them up against particular activities, and you'll begin to get some answers.

Now, let me just end by an example. You discussed here earlier competitive analysis. You discussed here earlier, in answewr to Senator Chafee, why do we have duplication in CIA, DIA, and various other places in the name of competition? Well, I don't think we need that. And let me tell you why.

The DDI at CIA is not owned by anybody who's an operator. The Secretary of Defense does not own him. The Secretary of the Treasury doesn't own him. Therefore he's not going to pay much attention to what he puts out. He will depend on the intelligence analysis done by his staff officer who's in charge of intelligence, whom he knows and trusts, and whom he knows knows the questions he wants answered. And I have seen precious

little money ever moved in the government, anywhere, as a result of most of that analysis. Most of the so-called competitive analysis in the community merely achieves bureaucratic paralysis and keeps a very sporting game of intermural warfare going on within the intelligence community.

If you want critical analysis, or something that's a functional equivalent for it, you need something that's equivalent to what I have to do at Yale. I have to grade papers and I have to point up inadequate assumptions, wrongheaded assumptions, and poor analysis. And when things come out the wrong way, you -- the real competition in the intelligence analysis should be with events and of adversaries, not vis-a-vis institutions within the intelligence community.

And just let me end with that.

SENATOR BOREN: You've really given us a lot to think about, and I think you've set forth the problem in a very clear way.

Now, we have -- if you separate the collection side of it, we have HUMINT, obviously, we have SIGINT, we have imagery, are the three major areas. Clearly, SIGINT is clearly delineated, more than any other, pretty clearly delineated.

 ${\sf GENERAL\ ODOM:}$ Yes. It's in the best shape, as far as management, as any others.

SENATOR BOREN: You have one, really, one central manager, in essence, through NSA.

Where would you place the management responsibility for imagery, and where would you place the management responsibility for HUMINT?

GENERAL ODOM: I would place the imagery responsibility in a National Imagery Agency. I would create an analog organization to NSA and I would give it national responsibility for that. You can debate about whether it ought to be in the Defense Department or outside the Defense Department. I would come down on the side of it being in the Defense Department, because otherwise it will go out and develop its own bureaucratic turf.

SENATOR BOREN: Could you, in essence...

GENERAL ODOM: But I would take the elements, which are largely right now in CIA, DDSNT, in the NPIC, and in the services, and mix them all together and say, "You now have to work out a structure that supports, national, all departmental requirements, as well as General Schwarzkopf's tactical requirements.

SENATOR BOREN: Would it be possible, when you look back at the tasking of imagery -- at least in this latest conflict, DIA really began to have the large role. Would it be possible, in essence, by somewhat reconstituting DIA, to make DIA, in essence, that single manager?

GENERAL ODOM: I was very puzzled by Admiral Inman's comment on that. I don't see why that would make any sense at all.

If you stick to my paradigm here, DIA, if it is anything, it is the J-2 for the Secretary of Defense and the Chiefs...

SENATOR BOREN: ...HUMINT.

GENERAL ODOM: Pardon?

SENATOR BOREN: Well, it's also HUMINT collection.

GENERAL ODOM: Well, it does. I say -- but as I say in my testimony, it's an agency which, understandably, has schizophrenia. It doesn't know whether it has a staff function or its a collection. It does have a piece of collection. And I would split its HUMINT collection out away from it entirely and make -- there would be a J-2...

SENATOR BOREN: Make them the analytical agent for the Department.

GENERAL ODOM: Right. And then I would have an independent, separate agency for imagery.

SENATOR BOREN: All right. Now...

GENERAL ODOM: Let me add one more reason why. It's a very technical activity, and you will never have the skills with the density of competence in DIA to manage the modern, highly technical imagery world.

SENATOR BOREN: Well, now, let's assume -- and I suppoe HUMINT -- would HUMINT probably be largely the CIA side of operations?

GENERAL ODOM: Right now, if you wanted to, if the DDO wanted to be, he could be the national imagery agency and manage — I mean the national HUMINT manager and manage it just like — and technically, he has the same kind of operational control over non-CIA assets that I, as the Director of NSA, had over non-NSA signals assets. But it would require a kind of cooperation between Defense and CIA for which there's absolutely no precedent.

SENATOR BOREN: So just to carry this -- I understand what you're saying -- to carry this out. Now, let's suppose that we have a national HUMINT collection agency, a national imagery agency, a national SIGINT agency, in essence. You have in each major area, whether it's Defense, whether it's State diplomacy, whether it is Energy, or whatever, Commerce for economic intelligence, you have, in essence, your analytical arm, if you want to call it that, in the various policy areas. You've got a State Department analytical. They take the product from these three branches, they analyze it, they inform the Secretary of State. Or the intelligence analytical people at the Department of Energy pull from these three sources and they give their advice to the Secretary of Energy. And in that sense, you don't have the kind of competing analysis that we talked about a while ago.

Now, what then happens when you get to the presidential level? In other words, this is the one place where the President must be informed, not only in terms of what perhaps the Energy Department will want to know, the kinds of intelligence they'd gather, or what the Defense Department would need in terms of what the Secretary of Defense or the Chairman of the Joint Chiefs would need, but a much broader element of analysis across the board that really gets into various policy areas; plus, also, an ability to question whether or not when the Secretary of Defense or the Secretary of State come in. Sometimes you might get some competing analysis there by flowing into the President, at least, with the Secretary of State arguing vociferously, "My analysts feel this way." And we've seen this happen before.

GENERAL ODOM: Absolutely.

SENATOR BOREN: And Defense saying, "My analysts feel this way."

Now, would you then organize? Who would be the intelligence adviser, so to speak, to the President? Would that be the National Security Adviser, or would that be an additional national intelligence officer? And would be, in essence, have a staff that would to some degree bring together the various elements of analysis to inform the President?

That's one decision. The other thing is, who makes the budgetary decisions?

I think you're quite right. When it comes to SIGINT, no one knows better, in fact, than the SIGINT collector. When it comes to imagery, no one's going to know better than that manager for imagery. When it comes to...

GENERAL ODOM: ...holding them accountable for the output, it will...

SENATOR BOREN: Exactly.

GENERAL ODOM: ...quicken his sense of...

SENATOR BOREN: Exactly. He will set his priorities. He will know where his money's best spent. But there still comes the problem. of how you decide how much should go to HUMINT versus how much should go to imagery.

We have two functions, at least at the presidential level: Who, in essence, is the OMB for Intelligence -- if you want to call it that -- up to the President? And two, who, in essence, becomes the intelligence adviser or analyst for the President, at that level?

GENERAL ODOM: Let me answer the last, 'cause it's easy. The real intelligence adviser to the President is the National Security Adviser and the set of staffers he has. They will drive the demand for intelligence by the White House.

SENATOR BOREN: So the NSC staff and the National Security Adviser.

GENERAL ODOM: And you can't insure that the President's going to have a first-rate NSC staff. Some have, some don't. But there's not much we can do about it. You can just make it available.

I also think that a DCI, the chief of the community, probably needs some residual piece of what is now DDI. And I think he needs it not to compete with the rest of the community, but to reach ahead and see, anticipate certain kinds of problems and to task, organize to go after them as they come up. It does not need to be big.

My rule in the production/analysis world is that ten dumb analysts will never beat one smart analyst. We do not need more people in the analytic function. We need fewer. And I would even suggest that if you cut by 50 percent and just kept the requirements very hot on the [unintelligible], you'd get better output. But there's just no relationship between numbers of people and insightful analysis.

So, I don't need a lot. But I think he should have that task force so he could go after particular problems.

Let me give you an example of one that I think ought to be gone after in an unclassified, open way. We've always been relatively ignorant of the politics of the 15 republics and some

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other lesser nationalities inside the Soviet Union. The plethora, the deluge of intelligence, of just open information coming out about these republics is astounding. Why don't we just set up an open institution down here with 15 chiefs, one for each republic, and they start cataloging and getting the data in? I would be willing to be in no time at all that would beat all of the best intelligence analysts in town on that issue.

So, you do need a capability there to go after particular kinds of problems. Energy sometimes becomes a big issue. I remember, being in the Carter White House, the Soviet oil production analysis was very important. And a CIA analysis on that turned out to be critical, and it was very helpful.

So, those kinds of issues. But that doesn't have to be big. The resource issue...

SENATOR BOREN: The budget. Well, let me stop you right there before you go into the budget issue.

On the intelligence issue, then, you, in essence, would have, just like you'd have in the equivalent of the head of I&R in the State Department, collect -- draw from these three collections, then analyze for the Secretary of State. The real intelligence analyst, as you see it, for the President would be the National Security Adviser, ultimately.

GENERAL ODOM: Well, he's the person who's going to be next to the President daily and knows what's going on.

SENATOR BOREN: Of course. And in the midst of a crisis, and so on. But he would be assisted by...

GENERAL ODOM: DCI.

SENATOR BOREN: ...a DCI who would preside over a much stripped-down -- because the DDO, in essence, would become really a separate agency.

GENERAL ODOM: Right. Right.

SENATOR BOREN: The DCI would probably be smaller than the DDO, because it would be smaller than the HUMINT collection agency. It would be a small sort of backup staff that could be reconfigured as it needed to be as we went along, considering the problem areas; a sort of lean, mean analytical adjunct resource. And in essence, the DCI would, in a sense, work for the National Security Adviser, in a way, if you wanted to look at it that way, in terms of the...

GENERAL ODOM: Or the President.

SENATOR BOREN: Or the President.

GENERAL ODOM: That'll work out on a personal basis. I don't think you can put that in the statute.

SENATOR BOREN: Now describe who adviserse the President, who comes forward with the comprehensive budget resources and how we share our dollars between the various collection — the three collection agencies and anything else in the community.

GENERAL ODOM: You heard Admiral Inman talk about the evolution of that toward -- from a small role for the DCI to a larger role. I think it has to be the DCI. I think the DCI needs a resource and a requirements staff. I think he needs four functions under this resource staff. He needs an intelligence requirements and evaluation staff that goes around and finds out what people need. You heard Admiral Inman talk about doing this, go out and ask the policymakers what they need. Well, that needs to be routinized.

I couldn't have run the National Security Agency if I hadn't gotten the national SIGINT's requirement list every year prioritized. Somebody's got to do that. What they don't do is go see if we ever answered the mail, or if the user ever really needed what you sent him. So I put the evaluation function in there.

Another function needed is the basic programming function, which the DCI staff always has. You're going to have to have that. That's highly routinized by law, regulation, precedent, etcetera.

Then I think he needs a counterintelligence and securities staff section to handle that.

And he needs a science and technology staff assistance. And the reason he needs this, he must have somebody who keeps him aware of the cutting edge of all scientific intel -- tactical developments in the world.

It should not be a big organization. It'd be extremely small. And if the community will not spend R&D monies for things that the DCI thinks they ought to in the way of high risk into the future, I would be prepared to give that small staff sort of a skunk works funding with a sunshine law, or a sunset rule on it. Give you three years or five years to go prove that this stuff will or won't work.

SENATOR BOREN: Right.

So, in essence, you boil down -- and I won't go on any

longer, and turn it to the Vice Chairman. But in essence, the role -- I understand it's a really very direct, and it goes to what Senator Murkowski said awhile ago about accountability and the people who have the greatest knowledge about the program really setting up the methods of which they do their missions. These three collection agencies -- of course, there's some other things that have to be fit in...

GENERAL ODOM: Sure. There are a bunch of...

SENATOR BOREN: But then you have the National Security Adviser playing the principal role of intelligence adviser to the President. And you would have a very much stripped-down DCI function, in terms of size, numbers...

GENERAL ODOM: It's stripped down in terms of size, but it's not stripped down in terms of clout.

SENATOR BOREN: No. Because it would, in essence -- he would, in essence, remain the OMB for Intelligence.

GENERAL ODOM: He owns the money.

SENATOR BOREN: He owns the money. He's going to have the staff that enables him to decide for resource distribution, an also an adjunct analytical staff to take on special problems as they're given additional tasks by the National Security Adviser and the President direct to the DCI.

Well, it's a very interesting concept. It's a very clear one and it's a very logical one. And I appreciate your sharing it with us.

Senator Murkowski.

SENATOR MURKOWSKI: To keep this, General, on the plane that you have set, which I think is a clear understanding of the concept of accountability, let's ask why it can't work that way, under the realization that the National Security Adviser to the President is the responsible agency, or agent, for that communication and intelligence coming in. One would generalize that, why isn't all this accomplished by an executive order?

GENERAL ODOM: It can be.

SENATOR MURKOWSKI: I know. It can be.

GENERAL ODOM: I don't advocate legislation. I don't think anything I've recommended here can be done by executive order [sic].

SENATOR MURKOWSKI: You say anything can be done?

GENERAL ODOM: Everything that I have recommended can be done by executive order. I see no imperative for legislation. You know, I will keep an open mind. Maybe there are some needs which I haven't anticipated here. But...

SENATOR MURKOWSKI: Well, let me interrupt because that brings us to the focus of the reason for this committee to be holding a public hearing on reorganization of the intelligence community. If it can be done by executive order, what do we need to legislative body involved, other than to bring it to the attention of the Executive Branch that clearly there is a need for improvement? They come up with budget requirements that are necessary, in the sense of having the capability, if you will, to do the job necessary to protect our national security interests. But they have -- is it that they don't have the time attention? Or is the bureaucracy so -- how would you generalize why they are not taking this initiative now, under the obvious authority that they have?

GENERAL ODOM: Well, obviously, you and Senator Boren are probably in a better position to judge the merits of this hearings approach. And I will demur to your...

SENATOR MURKOWSKI: Yeah, but you've got more objecti-vity than we do.

GENERAL ODOM: But to your last question, about why don't they go do it themselves, I think there are two reasons there. First, I don't think there is within the policy community a clear concept or paradigm, as I've used the word here, or doctrine. And without a kind of elementary understanding of such a paradigm in some of the leadership positions, they don't see anything wrong. They don't know whether it fits or doesn't fit. And the commuity does remarkably well.

You know, all the things I've said here should not lead one to detract from the intelligence community's capabilities. I have said frequently that I think the overwhelming dominance of the the U.S. surveillance regime explains a lot in the world, that people fail to grasp, in maintaining the peace, putting us on the right policy course, etcetera. And you should take my remarks purely in that context.

I'm talking about a company that's earning money, but you've asked me, "Could we increase the factor or productivity and earn more." And I said yes. And you say, "How would you do it?" This is the way I would do it.

SENATOR MURKOWSKI: All right.

My last question, and I think it paraphrases. You stressed that intelligence must work for and respond to policy-makers

GENERAL ODOM: Right.

SENATOR MURKOWSKI: The policymakers. I assume you would, of course, include the President, the State Department, the Department of Defense. But therein lies the problem. What policymakers do the CIA analysts basically work for? Now, they work towards the National Security Adviser and the President, but the conglomeration is where it gets -- it gets fuzzy and gets lost, and accountability's gone.

GENERAL ODOM: We're one of the few countries in the world that has such a creation. And I think if you want to understand it, you have to go back to William Donovan, go back to Donovan's time and the 1947 transition and his fetish for national intelligence estimates.

A lot of people think national intelligence estimates are important. I must say I've never seen the government do anything because of one.

SENATOR BOREN: [Laughter]

GENERAL ODOM: I've never seen it move a dollar -- let me just make a point on that. I've never seen an NIA move a dollar anywhere. But I'll tell you, when I was Chief of Army Intelligence, if I had adjusted the assessment of the frontal glacis on a I-80 tank, I could have killed or supported a multibillion-dollar 120-millimeter tank gun program. That moves dollars. You know, 10-20 millimeters. That's where the money is. It's not in these somewhat vapid national intelligence estimates.

Now, I used to think we should not have them. But I think we should have them. And they perform a very important function within the intelligence community. It is an arcane organization with little analytic sections all over the place, and that process forces these otherwise isolated people to talk to one another and to get all their evidence on the table. And I think that function is so important that it really doesn't make any difference if the NIAs don't have a highly critical role. We still need them and we still need to go through that process.

SENATOR MURKOWSKI: I commend you, General, on your ability to keep your comments related to the bottom line.

GENERAL ODOM: Thank you.

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SENATOR MURKOWSKI: I hope that the professional staff takes note.

[Laughter]

SENATOR BOREN: I'm not sure we're able to take on board such direct, clear -- clear, logical advice.

[Laughter]

SENATOR BOREN: Let me say it is very refreshing to hear you express these thoughts in the way you have, and very, very helpful to us.

Senator Warner?

SENATOR WARNER: Well, thank you, Mr. Chairman....

General, you've been up here a good deal recently and testifying, and we're glad to have you. Thank you for taking the time to do this valuable work.

But although I've missed some of your testimony here, I'd just like to ask a fundamental question. You've had the unique assignments, career assignments, to allow you to look at the intelligence organizations throughout the world. Do you know of any nation that has a better one than the United States?

GENERAL ODOM: I said just before you came in, sir, that I'm talking about -- I think the United States intelligence system is overwhelming vis-a-vis any other system in the world. I'm talking about a company that's making money. The issue today is whether you want to increase the profit level.

SENATOR WARNER: I understand that. That's a fair analogy.

GENERAL ODOM: It's absolutely a dramatic edge that it has.

SENATOR WARNER: That's always been my view.

Some of the suggestions that you've made here, have you ever written those down before and tried to push them within the Administration when you were on active duty?

GENERAL ODOM: Only verbally. You know, I can afford to not worry about the turf now. Some of these ideas make people terribly nervous because turf boundaries would be moved rather dramatically.

SENATOR WARNER: I'm very familiar with that.

GENERAL ODOM: And it's not wise for one to do that while still in there dividing the budget. Let me say, though,...

SENATOR WARNER: So, in other words, for self-survival and that of your organization, you've held these close to your chest for some time.

[Laughter]

GENERAL ODOM: Let me say about them, though, as an advertisement for them, if people saw them through, I think they'd discover that almost everybody would still have a seat at the table when my reorganization is over. And I think if they were willing to stick to the transition, they'd like the new context much better. They'd have a much clearer notion of the relation of what they did personally to product output.

SENATOR WARNER: Well, it would move the deck chairs around a good deal, your recommendations. But that's the type of testimony that the Chair and the Vice Chair and the members of this committee have invited and wish to receive.

Admiral Inman had a reorganizational structure which, if I understand it, was to create a single czar, so to speak, for the Intelligence Committee [sic], and then give him the budget authority. And those of us who've served in the Executive Branch in Washington know that the power goes with the budget authority.

Where do you see a fault in that concept versus yours?

GENERAL ODOM: I'm not sure that -- I missed part of his presentation when he was clarifying these three models. It may turn out that one of mine almost entirely overlaps.

I see, as I said just before you came in, I see the DCI still very much in charge of the community, the way he is now. It seems to me has power, through program management and budgetary control, which no DCI has ever used very vigorously. And...

SENATOR BOREN: I think what you're saying -- and I think Senator Warner was gone through part of that testimony too. But the third model that Admiral Inman talked about is very consistent with exactly what you're saying. In other words, one of the reasons why perhaps the DCI now doesn't really effectively use this strong control of resource distribution, or this sort of what I would call the OMB function within the intelligence community, is that he's also so bogged down with a lot of other managerial responsibilities that are partly operating, and collecting responsibilities.

And I think what you're saying is, by freeing him to really concentrate on the resource allocation role principally, and having the collection responsibilities in these other three agencies, you really make him, in essence, in some ways, that kind of -- function in that kind of way.

It would look like it would be very con -- in other words, they're very similar proposals.

SENATOR WARNER: Mr. Chairman, I would hope that General Odom would have a chance to look over the transcript of the Admiral's viewpoints and then supplement the record with such additional views as you may have. Because I think both of you have served with great distinction within this community and you've earned the right not to be principal critics of how we can improve it.

Thank you.

GENERAL ODOM: Thank you very much, sir.

SENATOR BOREN: Thank you very much, Senator Warner.

And let me say also that I -- what General Odom has said in terms of the ability of the Executive Branch to do a lot of this by executive order, I think, is certainly true. And I, for one, don't begin with the assumption that we have to legislate it all. I think whatever we do has to end up being in partnership. In other words, this committee -- it would be absolutely useless for this committee or our counterparts in the House to pass legislation that the President didn't agree to, did not accept, that the Administration was not prepared to implement. First of all, it'd never be signed into law. And if it were reluctantly signed into law, it wouldn't be vigorously implemented in a way that would make a difference.

So, this has to be -- I see as our function -- and I've discussed this with the President personally and with General Scowcroft and with others. I see our function is to highlight these areas for consideration, and then to really try to work in partnership, so that much of this maybe can be done by executive order. Other will have to be backed up by our shifting of budgetary priorities in a cooperative way, and the rest of it. But I really do see this as a joint effort with the Executive Branch and a way to to perhaps, really in a partnership way, highlight things for them to consider that in the midst of their other responsibilities it's difficult for them to do.

GENERAL ODOM: Mr. Chairman, let me respond by saying that, you know, in my written testimony I want to underscore that I really commend this effort. It doesn't matter, in my view,

whether it leads to legislation. What's most important is it crystallizes the discussion.

This discussion's 10 years overdue, maybe 15 years overdue. And I don't think there can be any harm in raising these issues and trying to sharpen the focus. And it well may be that this forum is a political advantage to the Executive Branch in carrying through some reforms.

SENATOR MURKOWSKI: I would certainly agree with that.

SENATOR BOREN: Well, I appreciate your comments very much and I appreciate your testimony. And I can assure you that the other members of the committee who had to go back and forth to the floor will read your testimony and that it is certainly going to leave us with a lot to ponder. And I would think you're going to find your ideas resurfacing all through the course of our deliberations. And we're undoubtedly going to want to impose on your time to come back and be with us and inform us further.

We appreciate very much your being here.

SENATOR MURKOWSKI: And please do not hesitate to continue to address the practicality of what we're attempting to accomplish. Because oftentimes around here we get carried away with the euphoria that somehow this thing is much more complicated because it's got an intelligence ring to it than it has to be.

GENERAL ODOM: Sure.

That you very much.

SENATOR BOREN: Thank you very much, General Odom.